CLAIMS

What is claimed is:

1. A method for analyzing a user's finances and providing a plan for debt reduction, the method comprising the steps of:

    5   acquiring aggregated financial data for a user from a financial data clearinghouse;

    classifying financial transactions received with the aggregated financial data into a plurality of budget categories without user input;

    applying the financial transactions to the budget categories, wherein the budget categories further include a budget amount and budget balance;

    10   modifying the budget balances without user input based on increases or decreases caused by the financial transactions;

    displaying the budget categories, budget amounts, modified budget balances and the financial transactions to aid the user in debt reduction.

    15   2. A method as in claim 1 further comprising the step of modifying suggested the budget amounts and budget categories based on the user's input to a pre-filled electronic form displayed to the user.

    3. A method as in claim 1, further comprising the step of allowing a user to accept the

    20   suggested budget amounts and budget categories.

    4. A method as in claim 1, further comprising the step of determining areas of the budget categories where expenses can be reduced.

    25   5. A method as in claim 1, further comprising the step of providing a debt reduction strategy based on the aggregated information received and the suggested budget amounts and budget categories.

    6. A method as in claim 1, wherein the step of acquiring aggregated financial data received

    30   from the financial clearing house further comprises the step of acquiring aggregated financial data that includes the user's financial account information with deposit and withdrawal information.

7. A method as in claim 1, wherein the step of acquiring aggregated financial data received from the financial clearing house further comprises the step of acquiring bill presentment and payment information.

8. A method for guiding a user to reduce their debt, the method comprising the steps of:

acquiring an aggregation of financial data for a user from a financial data clearinghouse;

classifying financial transactions received with the aggregated financial data into a plurality of budget categories without user input;

applying the financial transactions to the budget categories, wherein the budget categories further include a budget amount;

providing the user with a listing of expense reducing items that can reduce the user's debt;

comparing budget categories and the budget amounts to expense reducing items accepted by the user to define a budget margin for budget categories; and

applying the budget margin to pay down the user's debts.

9. A method as in claim 8, further comprising the step of paying at least a portion of the budget margin toward retirement savings after a portion the user's debt has been paid off.

10. A method as in claim 8, further comprising the step of selecting the debt with the lowest principal balance remaining and the highest interest rate, in order to identify a debt which should be paid off first.

11. A method for determining a financial debt that should be paid down first to reduce aggregate financial debt, comprising the steps of:

storing debt information for a plurality of financial debts, wherein the debt information for each financial debt includes a principal amount, an interest rate, a periodic payment, and a debt payment length;

selecting a debt which has a lowest remaining balance, a highest periodic payment, and a highest interest rate;

communicating to a user that the selected debt should be paid off first to allow the plurality of debts to be paid off in a reduced amount of time.

12. A method in accordance with claim 11, wherein the step of selecting a debt further comprises the step of selecting the debt which has a lowest remaining balance, a highest periodic payment, a highest interest rate, as compared to the remaining balance to pay off the debt.

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13. A method for determining a financial debt that should be paid down first to reduce a person's overall financial debt, comprising the steps of:

storing debt information for a plurality of debts, wherein the debt information for each financial debt includes a principal amount, an interest rate, a periodic payment, and a debt payment length;

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comparing the periodic payment of each debt to the principal amount;

creating a numerical ranking for each of the debts based on the comparison of the periodic payment to the principal amount; and

identifying the debt to pay off first based on the highest numerical ranking of the debt to allow the plurality of debts to be paid off in a reduced amount of time.

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14. A method in accordance with claim 13, further comprising the step of determining a sequence in which for the plurality of debts are paid down to pay the debts off in reduced time.

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15. A method in accordance with claim 13, further comprising the step of selecting the debt with the lowest principal balance remaining and the highest interest rate, in order to identify a debt to be paid off first.

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16. A method in accordance with claim 15, further comprising the step of applying additional power payments to the debt that has been identified to be paid off first.

17. A method in accordance with claim 13, further comprising the step of selecting the debt with the lowest remaining balance and the highest periodic payment that should be paid off first and to which additional power payments should be applied.

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18. A method in accordance with claim 15, further comprising applying a power payment based on the debt with the lowest remaining balance, highest periodic payment and highest interest rate.

19. A method in accordance with claim 13, wherein the step of creating a numerical ranking for each of the debts further comprises the step of creating a numerical ranking for each of the debts based on dividing the periodic payment by an original principal amount or a remaining principal amount.

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